

2024 Budget Act

The 2024 Budget includes \$133 million in 2024-25, \$728 million in 2025-26, and \$1.2 billion in 2026-27 in state funds for new targeted Medi-Cal provider rate increases and investments from the managed care organization (MCO) tax. Some new rate increases and investments will be effective January 1, 2025, and others January 1, 2026.

The annual state funds amount of the rate increases taking effect January 1, 2025, are:

- Emergency Department Physician Services (\$100 million)
- Abortion Care and Family Planning (\$90 million)
- Ground Emergency Medical Transportation (\$50 million)
- Air Emergency Medical Transportation (\$8 million)
- Community-Based Adult Services (\$8 million)
- Congregate Living Health Facilities (\$8 million)
- Pediatric Day Health Centers (\$3 million)
- Community Health Workers to achieve 100 percent of Medicare rate

The annual state funds amount of the rate increases and investments taking effect January 1, 2026, are:

- Physician/Non-Physician Professional Health Services (\$753 million)
- Private-Duty Nursing (\$62 million)
- Services and Supports for FQHCs/RHCs (\$50 million)
- Continuous Coverage for Children Aged 0 through 4 (\$33 million)
- Non-Emergency Medical Transportation (\$25 million)

In addition, the Budget includes \$145.4 million in 2024-25 to sustain Proposition 56-funded payments for which there is declining Proposition 56 revenue and \$40 million in 2026-27 for Medi-Cal workforce investments at the Department of Health Care Access and Information. The Budget also includes \$6.9 billion in 2024-25, and \$23.1 billion total 2023-24 through 2026-27 in MCO tax funding to support existing services in the Medi-Cal program.

These increases and investments are in addition to the approximately \$300 million (state funds) in rate increases that became effective January 1, 2024.

If the MCO tax initiative on the November 2024 ballot is approved, the above rate increases and investments become inoperable, since both cannot be fiscally sustained.